

# Exhibit 3

<p style="text-align: right;">Page 1</p> <p>1 ROGER S. PENSKE  2 IN THE UNITED STATES BANKRUPTCY COURT  3 FOR THE EASTERN DISTRICT OF MICHIGAN  4  5  6 In re ) Chapter 9  7 CITY OF DETROIT, MICHIGAN, ) Case No. 13-53846  8 Debtor. ) Hon. Steven W. Rhodes  9  10 _____  11  12  13 The Videotaped Deposition of ROGER S. PENSKE,  14 Taken at 4000 Town Center, Suite 1800,  15 Southfield, Michigan,  16 Commencing, at 1:03 p.m.,  17 Wednesday, July 23, 2014,  18 Before Kathryn L. Janes, CSR-3442, RMR, RPR.  19  20  21  22  23  24  25</p>	<p style="text-align: right;">Page 3</p> <p>1 ROGER S. PENSKE  2 DANIEL MORRIS, ESQ. (Via Telephone)  3 Dentons US LLP  4 1301 K Street, N.W.  5 Suite 600, East Tower  6 Washington, D.C. 20005-3364  7 Appearing on behalf of the Retiree Committee.  8  9  10  11 MICHAEL J. PATTWELL, ESQ.  12 Clark Hill, PLC  13 212 East Grand River Avenue  14 Lansing, Michigan 48906  15 Appearing on behalf of the Retirement Systems  16 for the City of Detroit.  17  18  19  20  21  22  23  24  25</p>
<p style="text-align: right;">Page 2</p> <p>1 ROGER S. PENSKE  2 APPEARANCES:  3  4 ROBERT S. HERTZBERG, ESQ.  5 Pepper Hamilton LLP  6 4000 Town Center,  7 Suite 1800  8 Southfield, MI 48075  9 Appearing on behalf of the Debtor, City of  10 Detroit.  11  12  13  14 GREGORY M. SHUMAKER, ESQ.,  15 DAN T. MOSS, ESQ.  16 Jones Day  17 51 Louisiana Avenue, N.W.  18 Washington, D.C. 20001-2113  19 Appearing on behalf of the Debtor, City of  20 Detroit.  21  22  23  24  25</p>	<p style="text-align: right;">Page 4</p> <p>1 ROGER S. PENSKE  2 WILLIAM E. ARNAULT, ESQ.  3 Kirkland &amp; Ellis LLP  4 300 North LaSalle Drive  5 Chicago, Illinois 60654  6 Appearing on behalf of Syncora Guarantee Inc.  7 and Syncora Capital Assurance Inc.  8  9  10  11 MARK R. JAMES, ESQ.  12 Williams, Williams, Rattner &amp; Plunkett, P.C.  13 380 North Old Woodward Avenue  14 Suite 300  15 Birmingham, Michigan 48009  16 Appearing on behalf of the Financial Guaranty  17 Insurance Company.  18  19  20  21  22  23  24  25</p>

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<p style="text-align: right;">Page 5</p> <p>1 ROGER S. PENSKE  2 LATA NOTT, ESQ. (via telephone)  3 Chadbourne &amp; Parke, LLP  4 1200 New Hampshire Avenue, NW  5 Washington, D.C. 20036  6 Appearing on behalf of Assured Guaranty  7 Municipal Corp.  8  9  10  11 LAWRENCE N. BLUTH, ESQ.  12 Penske Corporation  13 2555 Telegraph Road  14 Bloomfield Hills, Michigan 48302  15 Appearing on behalf of the Witness.  16  17  18  19  20  21  22  23  24  25</p>	<p style="text-align: right;">Page 7</p> <p>1 ROGER S. PENSKE  2 TABLE OF CONTENTS  3  4 WITNESS PAGE  5 ROGER S. PENSKE  6  7 EXAMINATION  8 BY MR. ARNAULT: 10  9  10 EXHIBITS  11  12 EXHIBIT PAGE  13 (Exhibits attached to transcript.)  14  15 DEPOSITION EXHIBIT 1 19  16 DEPOSITION EXHIBIT 2 25  17 DEPOSITION EXHIBIT 3 62  18 DEPOSITION EXHIBIT 4 109  19  20  21  22  23  24  25</p>
<p style="text-align: right;">Page 6</p> <p>1 ROGER S. PENSKE  2 KELLEY M. HALADYNA, ESQ.  3 Dickinson Wright PLLC  4 500 Woodward Avenue  5 Suite 4000  6 Detroit, Michigan 48226  7 Appearing on behalf of the State of Michigan.  8  9  10  11  12 ALSO PRESENT:  13 Rob Girkin - Video Technician  14  15  16  17  18  19  20  21  22  23  24  25</p>	<p style="text-align: right;">Page 8</p> <p>1 ROGER S. PENSKE  2 Southfield, Michigan  3 Wednesday, July 23, 2014  4 1:03 p.m.  5  6 VIDEO TECHNICIAN: We are now on the  7 record, this is the videotaped deposition of Roger  8 Penske being taken on Wednesday, July 23rd, 2014.  9 The time is now 1:02 p.m. We are located at 4000  10 Town Center, Southfield, Michigan.  11 We're here in the matter In Re: City of  12 Detroit Bankruptcy, Case Number 13-53846. This  13 matter being held in the United States Bankruptcy  14 Court for the Eastern District of Michigan.  15 My name is Rob Girkin, video  16 technician. Will the court reporter swear in the  17 witness and the attorneys identify themselves for  18 the record, please.  19 ROGER S. PENSKE,  20 was thereupon called as a witness herein,  21 and after having first been duly sworn to testify  22 to the truth, the whole truth and nothing but the  23 truth, was examined and testified as follows:  24  25 MR. HERTZBERG: Appearances, Robert</p>

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2 Q. So I take it, you understand that the -- the

3 retirees and the pensioners are getting treated

4 differently than the financial creditors?

5 **A. Yes.**

6 Q. And in fact, the pensioners and the retirees are

7 getting treated a lot better than the financial

8 creditors; is that right?

9 MR. HERTZBERG: Object to form.

10 MR. MORRIS: Objection, form.

11 BY MR. ARNAULT:

12 Q. Is that fair?

13 **A. I don't know whether being -- let me state it**

14 **again, any financial institution that makes an**

15 **investment, including myself, has a risk, and the**

16 **people, the bondholders in this particular case**

17 **were sophisticated, they -- they understood the**

18 **risks of a city like Detroit. They made their**

19 **investments, and as I have many times, I've taken**

20 **losses associated with that. So from my**

21 **perspective, is that's a lot different than**

22 **someone who's spent 20 or 30 years working in the**

23 **city of Detroit and has had to have the**

24 **opportunity to take away their health care and**

25 **maybe their only income stream, so to me it's a**

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2 **completely different situation.**

3 Q. Sure. So you believe that the City is justified

4 in treating the financial creditors, bondholders,

5 differently than the pensioners and retirees

6 because the bondholders were aware of the risks

7 and had the opportunity to do due diligence?

8 MR. MORRIS: Object to form.

9 MR. PATTWELL: Object to form.

10 **A. Let me make it -- I'll make it clear one more**

11 **time, okay?**

12 BY MR. ARNAULT:

13 Q. Yeah.

14 **A. Number one, I think that the financial**

15 **institutions understood the credit risks, there**

16 **was transparency on the investment they were**

17 **making, and there's no question that there's a**

18 **risk for you or for me if we make those**

19 **investments. And that's entirely different than**

20 **someone that's worked 15 or 20 or 25 years, you**

21 **know, for the City of Detroit and would have their**

22 **health care and their pensions taken away. And my**

23 **commitment through the grand bargain is to provide**

24 **capital to keep those people viable, you know, and**

25 **their families, you know, for the future, and**

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2 **that's the position I take today. I'll take it**

3 **next week and I take it in the future.**

4 Q. Are there any other reasons that you think it's

5 okay for the City to treat creditors and the

6 retirees differently besides the ones you just

7 laid out?

8 MR. PATTWELL: Objection to form.

9 **A. No.**

10 BY MR. ARNAULT:

11 Q. Do you think that this bankruptcy provides the

12 City with an opportunity to resolve some of the

13 problems that have plagued it in the past?

14 **A. Yes.**

15 Q. How so?

16 **A. Example, having lived in the city and seen General**

17 **Motors in a position they were in some 12 to 24**

18 **months ago and there's a -- there's a bankruptcy**

19 **process that companies can go through and**

20 **obviously municipalities, and to see the impact**

21 **prior to the bankruptcy and see cleansing through**

22 **bankruptcy and what's taken place in -- in the**

23 **growth back at General Motors is a perfect example**

24 **that this process, it's legal, it's a process that**

25 **takes place in business and it is taking place in**

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2 **this municipality, and I think it's the proper**

3 **process to go forward with.**

4 Q. And just to follow up to make sure I got that,

5 you would agree that it provides the City with an

6 opportunity to resolve some of the problems that

7 it faced coming into bankruptcy; would that be

8 correct?

9 **A. It will resolve the specific problems that are**

10 **involved in this 170-page document and it will**

11 **give the opportunity for the City to immediately,**

12 **you know, access funding and take the actions that**

13 **are necessary to be viable in the future.**

14 Q. Are there problems that the bankruptcy is not

15 going to address?

16 **A. I'm not aware of any.**

17 Q. If you move down to the next paragraph on the

18 document in front of you, you say: Obviously in

19 a situation of financial emergency, people are

20 going to have to take a hair cut. We'll just

21 stop there. Did you say that?

22 **A. It's -- it's in the --**

23 Q. I just want to be -- sometimes the press isn't

24 correct about quoting people, I just want to make

25 sure.

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2 BY MR. ARNAULT:

3 Q. Yeah, would you have contributed money to the

4 grand bargain if some of money was earmarked to

5 demolish blight in the city?

6 MR. MORRIS: Object to form.

7 **A. Now you're linking blight and other things, it**

8 **was -- it was an initiative that I saw the state**

9 **was involved, I saw other private sector people**

10 **involved and I joined that group. Now, whether it**

11 **was going to be for -- for blight or it was going**

12 **to be for -- for pensioners, my -- my**

13 **understanding was because it was tied, you know,**

14 **to the arts at this point, it would be towards the**

15 **pensioners which to me was -- was first and**

16 **primary.**

17 BY MR. ARNAULT:

18 Q. Did you have any conversations with the DIA about

19 your contribution?

20 **A. The only person that -- that I had conversation**

21 **was Gene Gargaro, when I talked with him and**

22 **talked about the arts and how important it was**

23 **culturally to the city and then following that, I**

24 **had some discussion with Dick Manoogian, when I**

25 **said I was going to make a donation, that was the**

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2 extent of it. One time I talked with Gargaro,

3 only once.

4 Q. And how many times have you talked with

5 Mr. Manoogian?

6 **A. One time about that, that was when we were getting**

7 **together when Jaimee Dimon was here a couple, four**

8 **or five weeks ago and it was after the fact.**

9 Q. At that point in time, had you already decided

10 that you were going to donate?

11 **A. Yes.**

12 Q. Do you believe that the DIA provides essential

13 services to the city?

14 **A. Well, the DIA is -- to have a city that's viable,**

15 **you have to have cultural, we have to have the**

16 **sports teams, we have to have the symphony, so**

17 **it's just not one leg on a stool. I think it's a**

18 **combination of -- of things like the DIA that make**

19 **a city viable and a place that people want to come**

20 **to. And I think that we need to have attractions**

21 **and, you know, when you look at the DIA, I think**

22 **its collection for -- at least it's been reported**

23 **is one of the four or five biggest collections,**

24 **you know, in the U.S., and obviously, you know, a**

25 **very important from the standpoint of the**

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2 artifacts that is there -- that are there.

3 And to me, people who come to the city want to go

4 there, so it's a -- we have the Henry Ford Museum,

5 you know, we obviously have our sports stadiums

6 and I think symphony and these are critical to

7 have a balanced environment for, you know, for our

8 people that live here and people that come to the

9 city, so it's an important part.

10 Q. Would you consider the DIA an essential part,

11 though?

12 MR. PATTWELL: Object to form. If you

13 could define what you mean by essential --

14 essential, and I also object to foundation that

15 you haven't gotten into whether or not Mr. Penske

16 knows all the services that the DIA provides.

17 **A. You want to ask the question again?**

18 BY MR. ARNAULT:

19 Q. Yeah, do you believe the DIA provides essential

20 services to the city?

21 **A. What I would think are essential services may be**

22 **different. When you say essential, what do you**

23 **mean by essential services?**

24 Q. Well, so you say -- when you think of essential

25 services, what do you think of?

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2 **A. Essential services would be police and fire.**

3 Q. Not culture and the arts; is that right?

4 **A. I'll go back to my answer before. To be a -- to**

5 **be a viable city, we have to have certain --**

6 **certain things that are not fire and police, and**

7 **part of it's culture, and part of it's our sports,**

8 **part is our symphony and the other things that**

9 **make it -- make it viable. For people that want**

10 **to -- because everyone is not just interested in**

11 **one particular area and we need to have people**

12 **come here, we have students that are -- that are**

13 **at Wayne State, students at the University of**

14 **Michigan that use, you know, the DIA as, you know,**

15 **for some of their schooling, I think it's really**

16 **important that we have something like this.**

17 Q. Does the city need a multibillion dollar art

18 collection to be viable?

19 **A. I -- I can't tell you today what the value of the**

20 **art collection is, okay?**

21 Q. That's -- that's fine.

22 **A. If it's multibillion, I don't know that.**

23 Q. But in general, does a city need a multibillion

24 art collection to be viable?

25 **A. We need a viable DIA and if it's multibillion, we**

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